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Defying Veto Threat, House Backs Foreclosure Bill

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WASHINGTON — House Democrats defied a veto threat from President Bush on Thursday as they approved a bill that would provide \$15 billion to the states to buy and spruce up foreclosed properties.

The bill, sponsored by Representative [Maxine Waters](#), Democrat of California, would make federal money available in loans and grants for the rehabilitation and eventual sale or rental of blighted properties. The measure is one of two major housing initiatives being pushed by Democrats despite the stated opposition of the president.

The Waters bill was approved by a vote of 239 to 188, with 11 Republicans siding with the majority. Only one Democrat, Kirsten Gillibrand, a first-term representative from the Hudson Valley area of New York, voted against the measure.

In any event, the bill was approved by a majority that was well short of the two-thirds that would be required to override President Bush's expected veto. And even if enough Republicans could be persuaded to change their positions to give the bill a two-thirds majority in the House, its fate would remain uncertain in the Senate, where Democrats hold only a razor-thin majority.

Backers of the Waters bill have argued that it would help prevent neighborhood blight and assist deserving people. Republican opponents of the bill have countered that it could have the unintended effect of encouraging foreclosures.

Meanwhile, Democrats were still promoting a broader bill pushed by Representative Barney Frank, the Massachusetts Democrat who heads the Financial Services Committee. Mr. Frank proposes having the [Federal Housing Administration](#) give its backing to \$300 billion in loans to aid homeowners overwhelmed by debt.

President Bush has vowed to veto the Frank bill if it reaches him in its present form, on the ground that it would assist lenders and borrowers who have acted irresponsibly. But Treasury Secretary [Henry M. Paulson Jr.](#), who has been able to work with Mr. Frank in the past, has promised to keep working for a bill that the president would sign, and House Democrats are trying to win over Republican votes by attaching to the Frank bill items that President Bush favors, like an overhaul of the housing administration.